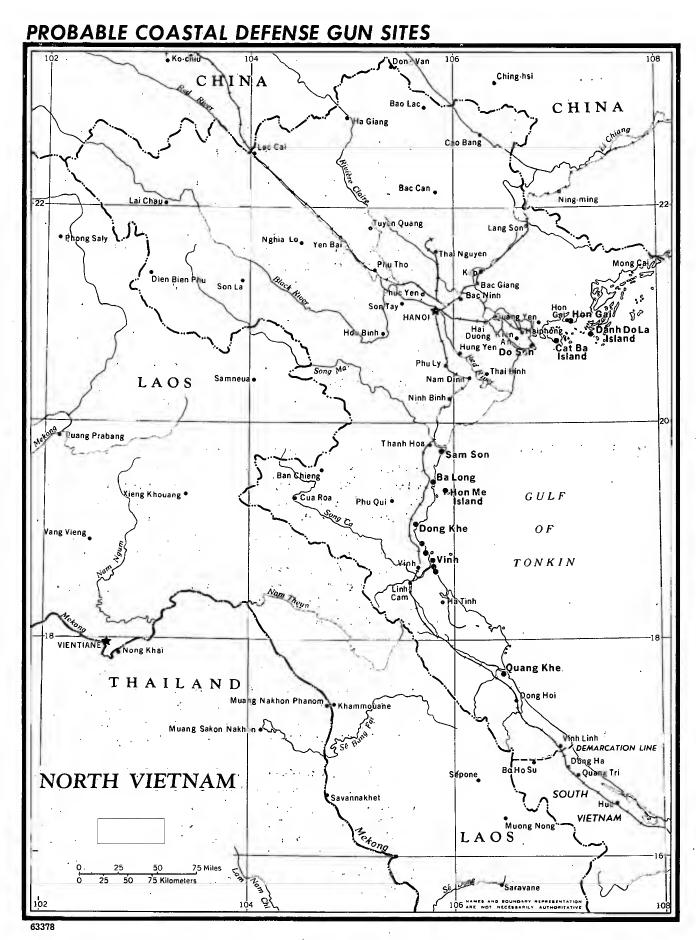


CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

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12 AUGUST 1966



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DAILY BRIEF 12 AUGUST 1966

1. South Vietnam

The leader of a dissident "Montagnard" tribal autonomy movement is threatening to call for a boycott of the elections if Saigon does not meet the movement's demands by Monday. Government officials have reached tentative agreement with the tribesmen, but Prime Minister Ky has gone off to Manila without giving his approval.

An election boycott by tribal groups would be embarrassing to the central government, but the response would probably be limited. The tribesmen have been allocated a block of seats in the new assembly.

Prime Minister Ky is due to return this weekend, and Ambassador Lodge will seek to discuss the matter with him.

2. North Vietnam

Heavy coastal defense artillery which is being installed at key points along the North Vietnamese coast could be used against ships up to twenty miles offshore. Most of the batteries so far detected are grouped in important port areas, including the approaches to Haiphong. (See map.)

There is no evidence so far that the coastal defense system includes missiles of any type.

3. United Kingdom

The ink is barely dry on the agreement ending the confrontation between Malaysia and Indonesia, and Britain is already preparing to withdraw its troops from border operations in Malaysian Borneo.

For economic and political reasons, the British would prefer to get out of Borneo altogether. However, continued Indonesian subversion will probably lead her to withdraw

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sion will probably lead her to withdraw over a period of six to nine months, as British units can be replaced by Malaysian troops.

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4. Dominican Republic

Balaguer, in a speech last night, leaned over backwards to scotch rumors that any major military command changes were contemplated.

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Rumblings from the military hierarchy are likely to continue, however, as long as the president retains his controversial military adviser, whom the generals distrust.

5. Africa

The African group at the UN, gearing up to raise the South-West Africa issue, has sent a letter to the secretary general requesting priority consideration of the problem when the General Assembly convenes on 20 September. The Africans will probably demand revocation of South Africa's mandate and some sort of UN supervision of the territory.

6. Nigeria

Efforts to work out a new basis for the future relationship of the country's four regions are under way. However, a first round of talks between the "supreme" military commander and civilian regional representatives ended inconclusively, and further negotiations will probably be lengthy and involved.

7. United Kingdom

The shift of Michael Stewart from foreign to economic affairs appears to be the key appointment in the unspectacular cabinet reshuffle. He has Wilson's respect and confidence, and the prime minister probably hopes that Stewart can persuade labor and industry to swallow the wage-price freeze. George Brown, the former economics minister, had about used up his credit with both sides.

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